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JOSEPH J. BURGIE  
(1926 - 1992)

RECEIVED  
OCT 13 PM 2 54  
EXECUTIVE SECRETARY

October 16, 2000

Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

10-00928

RE: Petition for Authority to Transfer Control of KDD America, Inc.  
to DDI Corporation

Dear Sir

Enclosed herewith for filing with the Regulatory Authority, please find an original and thirteen (13) copies of the above captioned Corporation's Petition for Authority to Transfer Control of KDD America, Inc. to DDI Corporation along with a check in the amount of \$25.00 for filing fees.

Also enclosed is a duplicate of this letter attached to a copy of the Petition. Please stamp the duplicate and return same in the self-addressed, stamped envelope.

Please contact the undersigned should you have any questions or concerns.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.L.C.

Patrick D. Crocker  
PDC/pas

101800

**BEFORE THE  
STATE OF TENNESSEE  
REGULATORY AUTHORITY**

**Petition for Authority to Transfer  
Control of KDD America, Inc.  
to DDI Corporation** )  
)  
)

**Docket No.**

RECEIVED  
STATE OF TENN. AUTH.  
60 SEP 13 PM 2 55  
EXECUTIVE SECRETARY

**To the Regulatory Authority:**

00-00928

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**PETITION FOR AUTHORITY TO TRANSFER CONTROL**

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KDD America, Inc. ("KDDA") by its attorneys, hereby respectfully requests that the Tennessee Regulatory Authority ("TRA") *immediately* approve the transfer of control of KDDA to DDI Corporation ("DDI"). DDI will acquire indirect control of KDDA through its acquisition of KDDA's parent company, KDD Corporation ("KDD"). The transaction will occur at the holding company level only and will not affect the Tennessee operations of KDDA. The Petitioner requests expedited treatment of this petition in order to permit the consummation of the transaction without undue delay.

KDDA is currently certified to provide intrastate telecommunication services in Tennessee.<sup>1</sup> Because KDDA will continue to provide service in Tennessee as an indirect wholly-owned subsidiary of DDI, KDDA will not transfer its operating authority in connection with this transaction. DDI, a Japanese corporation providing primarily domestic long distance in Japan, currently does not hold, either directly or indirectly, any authorization to provide intrastate service in Tennessee.

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<sup>1</sup>

KDDA was authorized by the TRA to provide intrastate telecommunication services as a reseller effective January 11, 2000 in Case No. 99-00795.

**THE PARTIES**

1. KDDA is currently authorized as a reseller of intrastate interexchange telecommunication services in 31 states. KDDA's address and phone number will continue as follows:

KDD America, Inc.  
375 Park Avenue, 7<sup>th</sup> Floor  
New York, NY 10152  
212-702-3720

2. DDI is a Japanese corporation providing primarily domestic long distance service in Japan. DDI also provides international telephone service, leased circuit service, and data services such as Internet access and frame relay. Through various subsidiaries, DDI offers cellular service and personal handphone service ("PHS", or service for telephones that function as cordless units at home and mobile units elsewhere).

3. Questions about this application should be directed to Patrick D. Crocker:

Patrick D. Crocker  
Early, Lennon, Peters & Crocker, P.L.C.  
900 Comerica Building  
Kalamazoo, MI 49007  
(616) 381-8844  
(616) 349-8525 (facsimile)

**TRANSFER OF CONTROL**

4. April 5, 2000, KDD, the ultimate corporate parent of KDDA, and DDI executed a Merger Agreement ("Agreement"), whereby DDI will own all of the issued and outstanding stock of KDD, which in turn will own all of the issued and outstanding stock of KDDA. A copy of the Merger Agreement is not included, as the Agreement is written in Japanese. The process of translating the document into English not only would be unduly burdensome to the Applicants, but

would unnecessarily delay the processing of this Petition. Petitioner requests a waiver of any requirements of submission of a copy of the Merger Agreement.

5. After the transfer of control, KDDA will continue to operate as it has in the past, using the same name, tariff and operating authority. KDDA will retain all key personnel, including senior management personnel. Thus the transfer of control will be transparent to, and will have no adverse impact upon KDDA's customers.

**QUALIFICATIONS OF TRANSFEREE**

6. DDI is financially qualified to acquire control of KDDA and its business.

7. Under new ownership, KDDA will continue to be led by the same team of well-qualified telecommunications professionals. Information concerning KDDA's legal, technical, managerial and financial qualifications to provide telecommunications services was submitted with its application for certification filed with the TRA and is, therefore, a matter of record with the TRA. In addition, these personnel will be able to draw upon the resources and experience of the DDI management and operational personnel.

**PUBLIC INTEREST**

8. The transfer of control of KDDA to DDI is in the public interest. The addition of KDDA to DDI's other interests will enhance KDDA's ability to compete in the market for telecommunications services in Tennessee and elsewhere. The Petitioner will benefit from increased economies of scale that will permit it to operate more efficiently and thus to compete more effectively.

KDD AMERICA, INC. / DDI CORPORATION  
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9. In addition, KDDA will have access to the financial resources it needs to introduce new products and services and to respond to competition in the competitive telecommunications environment in Tennessee. Over time, consumers in Tennessee will benefit from a greater number of products and service options, as well as lower prices offered by the Petitioner.

**WHEREFORE**, KDDA respectfully requests that the TRA *immediately* authorize the transfer of control of KDDA to DDI so that the transaction may proceed without undue delay.

Respectfully submitted,

**KDD America, Inc.**

By: 

Patrick D. Crocker

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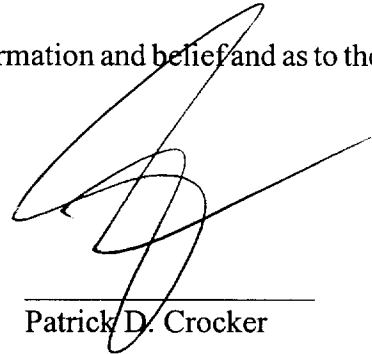
KDD AMERICA, INC. / DDI CORPORATION  
Tennessee Regulatory Authority  
Petition for Authority to Transfer Control

STATE OF MICHIGAN  
COUNTY OF KALAMAZOO

**VERIFICATION**

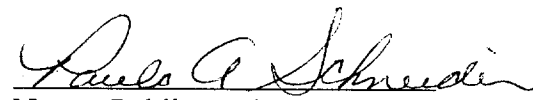
Patrick D. Crocker, being duly sworn according to law, upon his oath deposes and says:

1. I am the regulatory attorney for KDD America, Inc. and am authorized to verify the foregoing application.
2. I have read the foregoing application, and the statements therein are true of my own knowledge, except to those matters which are therein stated on information and belief and as to those matters, I believe them to be true.



Patrick D. Crocker

Sworn and subscribed before me  
this 16<sup>th</sup> day of October, 2000



Notary Public Paula A. Schneider  
County of Kalamazoo  
State of Michigan  
My Commission Expires June 24, 2004